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Joint Inspection Unit

Report of the Joint Inspection Unit on the review of information and communication technology hosting services in the United Nations system organizations

Note by the Secretary-General

The Secretary-General has the honour to transmit herewith, for the consideration of the General Assembly, his comments and those of the United Nations System Chief Executives Board for Coordination on the report of the Joint Inspection Unit entitled "Review of information and communication technology hosting services in the United Nations system organizations" (JIU/REP/2008/5).

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Summary

The Joint Inspection Unit report entitled "Review of information and communication technology hosting services in the United Nations system organizations" examines the arrangements organizations utilize for information and communication technology services.

The present report presents the views of United Nations system organizations on the recommendations provided in the report of the Joint Inspection Unit. The views of the system have been consolidated on the basis of inputs provided by member organizations of the United Nations System Chief Executives Board for Coordination (CEB), which expressed appreciation for the timely, comprehensive and detailed review of this important subject. Organizations of the United Nations system note that information and communication technology hosting is becoming increasingly useful as a mechanism for achieving higher levels of service while addressing such concerns as system availability and disaster recovery. Agencies generally agreed with the recommendations, and further noted that the report had been strengthened through close coordination between the Joint Inspection Unit inspectors and the Information and Communication Technology Network of CEB during its preparation.

I. Introduction

1. The Joint Inspection Unit report entitled "Review of information and communication technology hosting services in the United Nations system organizations" examines the arrangements that organizations utilize for information and communication technology services and seeks to, inter alia, identify, promote and disseminate best practices on the use and implementation of information and communication technology internal and external hosting services and enhance cooperation and coordination among the United Nations system organizations in this area, with a view to reducing costs and enhancing the efficiency and effectiveness of those organizations' information and communication technology infrastructure and operations. After exploring the factors organizations use to determine these types of service arrangements, the report provides details regarding the state of hosting arrangements currently in place. The aim of the recommendations contained in the report is to enhance the ability of organizations to more clearly ascertain the value of such arrangements for different information and communication technology services and encourage organizations to achieve economies of scale through joint implementation and procurement of services.

II. General comments

2. The members of the United Nations System Chief Executives Board for Coordination (CEB) welcome the comprehensive and detailed report. Many agencies report an increase in the utilization of information and communication technology hosting services, whether those of commercial service providers or of the International Computing Centre, and therefore found the report timely and relevant.

3. They note that the report was completed in close coordination and cooperation with the Information and Communication Technology Network of CEB, from the design of the questionnaire to the final drafting stages. While the Joint Inspection Unit and the Information and Communication Technology Network may not have reached agreement on every facet of the final report, that close coordination resulted in a significantly more effective outcome.

4. Although agencies of the United Nations system substantially agree with the Joint Inspection Unit on most issues presented in the report, they also believe that it could benefit from additional analysis in some areas. For example, it is stated in paragraph 51 of the report that the Inspectors have learned that most United Nations system organizations using external hosting services have achieved the expected benefits. It is also stated, in paragraph 54, that most of the organizations using the services of the International Computing Centre are satisfied with their selection. Organizations of the United Nations system suggest that the report, although it strongly promoted the use of the hosting services of the International Computing Centre, could have been clearer regarding whether the Centre or commercial providers would be more cost-beneficial. Further analysis and data to support the case for the International Computing Centre would strengthen the recommendation regarding its use as a hosting service provider.

5. Agencies note that, although in paragraph 55 it is stated that, as an internal United Nations entity, the International Computing Centre is exempted from

participating in the bidding process, this is not always the case. In addition, agencies note that, while many International Computing Centre services are cost-competitive with commercial providers, this, too, is not always the case, as is also stated in paragraph 55.

III. Specific comments on recommendations

Recommendation 1

The executive heads of the United Nations system organizations should work with the High-level Committee on Management towards defining a consistent method of recording information and communication technology expenditures/costs to facilitate cost-benefit analysis of information and communication technology services.

6. CEB members agree with this recommendation and strongly believe that a common and consistent method of recording information and communication technology expenditures and costs would provide a better understanding within each organization of the factors involved in strategic decisions related to information and communication technology. Agencies also note that a proposal for defining the elements of information and communication technology costing is included as an initiative within the Plan of Action for the Harmonization of Business Practices in the United Nations System of the High-level Committee on Management of CEB.

Recommendation 2

The executive heads of the United Nations system organizations should ensure that a strengths, weaknesses, opportunities and threats analysis is undertaken prior to selecting a particular information and communication technology hosting service.

7. Organizations of the United Nations system generally agree with this recommendation, although some have noted that the report could be strengthened with additional information on whether organizations are failing to undertake adequate cost-benefit analyses in determining how to select a particular information and communication technology hosting service. Many organizations already perform these types of analyses, which include thorough market research and cost-benefit studies, in order to determine their strategy in the hosting area.

Recommendation 3

The executive heads of those United Nations system organizations that currently host their own enterprise resource planning implementations internally or are in the process of implementing a new enterprise resource planning system should explore external hosting solutions, particularly the International Computing Centre, to take advantage of economies of scale when operating these systems, as well as to provide for the safety of these systems by placing them in an off-site, secure location.

8. Agencies agree with this recommendation and recognize the advantages of enterprise resource planning system external hosting, in particular the services offered by the International Computing Centre. Agencies note that hosting an enterprise resource planning system externally provides flexibility, as well as benefits associated with disaster recovery and business continuity.

Recommendation 4

The executive heads of those organizations participating in the International Computing Centre should establish an ad hoc working group within their organization, involving membership from both information and communication technology and business operations, or use their internal information and communication technology governance structure, to come up with concrete suggestions and action plans to improve cooperation with and use of information and communication technology hosting services provided by the International Computing Centre.

9. CEB members agree that the International Computing Centre option should be fully taken into account when considering information and communication technology hosting services or any other outsourced information and communication technology services. However, they express some reservation regarding the need for an ad hoc working group, assuming that within each organization's information and communication technology governance structure an information and communication technology steering committee is already in place which would, within its terms of reference, address this issue.

Recommendation 5

The executive heads of those United Nations system organizations which have not yet done so should pursue joint procurement of information and communication technology hosting services; this is especially the case for those organizations that are in the same duty station when similar requirements arise.

10. Agencies agree with this recommendation and believe it would provide a more cost-effective approach to the procurement of information and communication technology hosting services, as shown in the report in various examples on joint procurement. They note that the Information and Communication Technology Network has been pursuing this activity through the collection and sharing of long-term agreements relating to information and communication technology already negotiated by agencies.

Recommendation 6

The governing bodies of the United Nations system organizations should request the executive heads to report to their next session on the implementation of the recommendations contained in the report, in particular those recommendations aimed at defining a common methodology for information and communication technology costs/expenditures and exploring hosting solutions to take advantage of economies of scale.

11. CEB members generally agree with this recommendation. However, many indicate that they already have specific processes for following up on Joint Inspection Unit recommendations with their governing bodies.